

## ADWR FEE PROPOSALS MARCH 2010

ADWR used the methodology developed by ADEQ in its proposed fee analysis. That methodology is calculated based on the permitting work of a full-time employee (FTE) and makes the following assumptions:

### **HOURS**

- Assumes an FTE works 2080 hours annually.
- NON-PROGRAM HOURS include:
  - hours related to employee SVHL (sick, vacation, holiday), calculated at the maximum available of 296 hours;
  - hours related to training, meetings and minor tasks estimated at 331 hours;
  - hours lost due to employee turnover – use a relatively low rate of 5% - 104 hours.
  - TOTAL NON-PROGRAM HOURS estimated at 731 hours annually.
- PROGRAM HOURS include both review hours of specific applications and making decisions thereon, and those not related to review hours of a specific application. Some of the PROGRAM HOURS are therefore not billable.
  - TOTAL PROGRAM HOURS = 2080 – 731 = 1349 hours
  - Non-billable PROGRAM HOURS includes customer service time, inter-division and inter-agency coordination, permit administration, program development (rules and policies) and travel. Estimate this at 440 hours annually.
  - BILLABLE PROGRAM HOURS = 1349 – 440 = 909 hours

### **COSTS**

- Salaries + employee related expenses (ERE) related to BILLABLE PROGRAM HOURS performed by an FTE.
  - Use ERE benefits rate of 40%.
  - NON-PROGRAM HOURS in support of BILLABLE PROGRAM HOURS are included in costs. Estimated at 493 hours.
  - Program staff includes Engineers, Hydrologists and the WRS Series at an average hour rate of \$24.68.

$$\text{Cost} = (909 + 493 \text{ hours}) \times \$24.68/\text{hour} \times 1.4 = \$48,442$$

- Management/ Supervisory hours in support of the FTE's work are included in costs. Estimated at 200 hours. Includes working A/Ds, Managers, and Legal at an average hourly rate of \$40.00.

$$\text{Cost} = (200 \text{ hours}) \times \$40.00/\text{hour} \times 1.4 = \$11,200$$

- Administration Support hours in support of the FTE's work are included in costs. Estimated at 200 hours. Includes Water Resource Technicians and Administrative Assistants at an average hourly rate of \$17.94.

$$\text{Cost} = (200 \text{ hours}) \times \$17.94/\text{hour} \times 1.4 = \$5,023$$

- Add Indirect expenses (56.35% of personal services and ERE by federal formula) for rent, utilities, etc. estimated at \$36,464.
- Add Other Expenses such as travel, equipment, operating expenses (supplies, etc.) and professional services estimated at \$6,250.
- Total Costs Related to Permit Process for 1 FTE= \$107,379

### **HOURLY RATE**

Divide the total costs related to the permitting work of a FTE (\$107,379) by BILLABLE PROGRAM HOURS (909) provides the Hourly Rate for Permit Processing (\$118).